2023 ANNUAL REPORT

COMET RESOURCES LIMITED

and its

CONTROLLED ENTITIES

ABN 88 060 628 202

CONTENTS

CORPORATE DIRECTORY

Directors

M O'Kane
H Halliday
A Molyneux
S Cheema

Company Secretary

S Cheema

Registered Office &
Principal Place of Business

Suite 9
330 Churchill Avenue
SUBIACO WA 6008
Telephone: 61 8 6489 1600

Share Registry

Automic Registry Services
Level 5
191 St Georges Terrace
PERTH WA 6000
Telephone: 08 9324 2099

Auditors

Stantons
Level 2
40 Kings Park Road
WEST PERTH WA 6005

Stock Exchange Listing

The Company is listed on the Australian Securities Exchange Limited
Home Exchange: Perth
ASX Code: CRL

Web Page www.cometres.com.au

The directors present their report together with the consolidated financial report of Comet Resources Limited ("Comet" or "the Group") and its controlled entities for the year ended 30 June 2023 and the auditor's report thereon.

Directors

The directors of the Company at any time during or since the end of the financial year are:

Mr Matthew O'Kane (Managing Director)

Mr. O'Kane is an experienced mineral industry executive and company director with over 25 years' experience in the mining, commodities and automotive sectors. He has held senior leadership roles in Australia, the USA and Asia, in both developed and emerging markets, from startup companies through to MNC's. He has served on the board of mining companies in Canada, Hong Kong and Australia. During his career he has worked with companies involved in exploration and development and with producing mining companies.

Mr O'Kane is currently a non-executive director of International Graphite Limited (ASX:IG6) and Reach Resources Limited (ASX:RR1). He resigned as a non-executive director Azarga Uranium Corporation (TSX:AZZ) on 31 December 2021 and as a non-executive director of Roto-Gro International Limited (ASX:RGI) on 19 October 2021.

Director since 12 November 2019

Mr Hamish Peter Halliday BSc (Geology), MAusIMM, **(Non-Executive Chairman)**

Mr Halliday founded Adamus Resources Limited and grew that Company to a multi-million-ounce emerging gold producer. Mr Halliday also co-founded Gryphon Minerals Limited and Venture Minerals Ltd, both highly successful junior explorers. Mr Halliday is a Director of Blackstone Minerals Ltd and McTavish Industries Pty Ltd.

He previously resigned from Renaissance Minerals Limited on 26 September 2016, Alicanto Minerals Ltd on 7 August 2020 and Venture Minerals Ltd on 26 November 2021. He has held no other Directorships in listed companies in the last three years.

Director since 16 December 2014, appointed Chairman in October 2018.

Mr Alex Molyneux BEc, Grad. Dip. MinExplGeoSc **(Non-Executive Director)**

Mr Molyneux is an experienced mining industry executive and financier. He currently serves as a non-executive director of Metalla Royalty & Streaming Ltd (TSXV: MTA / NYSE: MTA), Tempus Resources Ltd (ASX: TMR / TSXV: TMRR) (2018 – present) and Galena Mining Limited (ASX:G1A). Mr Molyneux was Managing Director and CEO of Galena Mining Ltd (2018 – 2021) where he led various transactions for the injection of A$115 million of new equity capital and US$110 million in project financing debt to finance the Abra Base Metals Project (now in construction). He was also CEO of Paladin Energy Ltd (ASX: PDN) (2015 – 2018) where he led an operational turnaround and US$700 million recapitalisation and re-listing on the ASX. Prior to Paladin, Mr Molyneux was CEO of SouthGobi Resources Limited (Ivanhoe Mines Group) (TSX:SGQ / HKEX:1878) (2009 – 2012). Prior to SouthGobi, Mr Molyneux was Managing Director, Head of Metals and Mining Investment Banking, Asia Pacific, with Citigroup. In his position as a specialist resources investment banker he spent approximately 10 years providing advice and investment banking services to natural resources corporations.

Director since 15 February 2019

Mr Sonu Cheema (Non-Executive Director and Company Secretary)

Company Secretary since 22 May 2018 and Non-Executive Director since 24 November 2022.

Mr Cheema is a Certified Practising Accountant and has over 10 years' experience as Company Secretary and Director of publicly listed companies within Australia and abroad.

Directors' interests

The relevant interest of each director in the share capital of the companies within the consolidated entity, as notified by the directors to the Australian Securities Exchange Limited in accordance with section 205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Ordinary fully paid shares	Incentive Shares	Options	Incentive Options
M O'Kane	-	-	-	-
HP Halliday	940,000	-	-	-
A Molyneux	-	-	-	-
S Cheema	-	-	-	-

Earnings per Share

	Cents
Basic earning per share	(2.95)
Diluted earning per share	(2.95)

Dividends

No dividends have been paid or will be recommended to be paid.

Nature of Operations and Principal Activities

The principal activities of Comet Resources Ltd and its subsidiaries during the course of the financial year was mineral exploration.

There has been no significant change in the nature of this activity during the year.

Results

The net loss after income tax of the consolidated entity for the financial year was $2,040,337 (2022: $412,672 profit).

Operating and Financial Review

Comet Resources Ltd is pleased to report the following key operational and financial activities for the year ending 30 June 2023 (FY23).

Review of Operations

Operations Report
On 24 May 2023, CRL announced the discontinuation of the proposed acquisition of the Mount Margaret Copper Project. The decision was in response to on-going adverse market conditions, which have resulted in the Company not being able to fulfill all the conditions precedent for the acquisition.

The directors of Comet had resolved to withdraw the offers the subject of the Company's prospectus dated 24 February 2023 (**Prospectus**). As a result, the securities for which shareholder approval was received at the Company's general meeting held on 27 March 2023 were not issued.

Following the decision, the Company submitted an application to the ASX to seek re-instatement of its shares to trading based upon the Company's current assets. The decision to terminate the Mount Margaret Copper Project acquisition has allowed Comet to re-focus on its existing high quality copper portfolio and pursue other opportunities as they become available. Furthermore, in addition to its copper assets, the Company continues to hold 40,000,000 shares in International Graphite Limited (ASX:IG6).

On 4 September 2023, Comet announced that it had received a letter from the ASX detailing the conditions to be met for reinstatement of the Company's shares to trading. In addition to preparation and lodgement of certain disclosures required in the Reinstatement Conditions, the Company must commence exploration work at the Barraba Copper Project as per plans submitted to the ASX and raise funds to meet the financial conditions required for reinstatement.

Regarding the commencement of exploration at the Barraba Copper Project, the Company has already completed several recent site visits by both the Company's NSW based geologist and drilling contractor to assess site conditions and confirm the ability for the drill rig to access the locations of the planned drill holes for the upcoming exploration program. Once the final drilling permit for the program is received, the application for which has been submitted for approval, we will be able to confirm a date for commencement of the drilling program.

In addition, we are required to raise funds as part of the Reinstatement Conditions. Comet must:

(a) (Raise a minimum of $1,000,000 in convertible loans (see ASX announcement of 26 July 2023 for details of the convertible loans)

(b) (b) Raise a minimum of $2,305,308 (by way of a 1 for 3 entitlement issue priced at 10c a share), a) and b) together the 'Capital Raise'.

Proceeds from the Capital Raise will be used to settle existing payables of the Company and to meet the working capital requirements for reinstatement. Completion of part a) of the Capital Raise will require shareholder approval to issue options and shares associated with the convertible loans. These approvals will be addressed in the Notice of Meeting (NOM) to be lodged shortly.

Business Risks
The material business risks faced by the Group that could influence the Group's future prospects, and how the Group manages these risks, are outlined below.

Exploration and operating
The mineral exploration licences comprising the Projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that future exploration of these licences, or any other mineral licences that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

Additional requirements for capital
The Company's capital requirements depend on numerous factors. The Company will require further financing in addition to amounts raised to date. Currently plans to raise additional capital, as detailed above, are required to meet the requirements of the ASX for the Company's shares to be reinstated to trading. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programs as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

Tenure
The success of the Company will depend upon the Company being able to maintain title to the mining tenements comprising the Projects and obtaining all required approvals for the contemplated activities, including obtaining the grant of mining leases. In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of the Projects, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the mining tenements comprising the Projects.

There are areas of the Company's projects over which legitimate common law and/or statutory Native Title rights of first nations exist. Where Native Title rights do exist, the Company must obtain consent of the relevant Native Title party to progress the exploration, development and mining phases of its operations.

Global financial conditions may adversely affect the Company's growth and profitability
Many industries, including the mineral resource industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil caused by the recent COVID-19 pandemic, global geopolitical tensions and inflationary economic environments may result in contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. Due to the current nature of the Company's activities, a slowdown in the financial markets or other economic conditions may adversely affect the Company's growth and ability to finance its activities. If these increased levels of volatility and uncertainty in markets continue, the Company's activities could be adversely impacted and the trading price of the Company's shares could be adversely affected.

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes have occurred in the state of affairs of the consolidated entity.

ASX Listing Rules Compliance
In preparing the full year review for the year ended 30 June 2023 and subsequent, the Company has relied on the following ASX announcements.

ASX Announcement	4 September 2023	Comet Receives ASX Reinstatement Conditions
ASX Announcement	27 July 2023	IG6: International Graphite to support Comet financing
ASX Announcement	26 July 2023	Company Update
ASX Announcement	24 May 2023	Mount Margaret Copper Project update

Compliance Statement This report contains information extracted from reports cited herein. These are available to view on the website www.cometres.com.au. In relying on the above ASX announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the abovementioned announcements or this Full Year Report for the period ended 30 June 2023 and subsequent.

Competent Person Statement

The information in this report that relates to Exploration Results and Mineral Resources Estimates for the Mount Margaret Copper Project is based on information compiled or reviewed by Ms Elizabeth Laursen (B. ESc (Hons)., GradDipAppFin, MAIG, MSEG). Ms Laursen is a member of the Australian Institute of Geoscientists. Ms Laursen has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves'. Mrs Laursen consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.

COMPETENT PERSONS DISCLOSURE
Ms Laursen is a Director of Metals Mining and Metallurgy Limited.

Review of Financial Condition

The Group has cash reserves of $22,332 at 30 June 2023 (2022: $658,026) and a net asset position of $2,924,897 (2022: $4,685,118). Post 30 June 2023 the Company has issued new convertible loans for gross proceeds of $830,000, with plans to raise a minimum of $1,000,000 in gross proceeds from new convertible loans and also a minimum of $2,305,308 (by way of a 1 for 3 entitlement issue priced at 10c a share). These funds are required to meet the conditions of the ASX for reinstatement of the Company's shares to trading, however in addition the Company considers this to be adequate to:

- meet the tenement exploration commitments; and
- assess new exploration projects.

Risk Management

The Group takes a proactive approach to risk management. The Board is responsible for ensuring that risks, and also opportunities are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board.

The Group believes that it is crucial for all Board members to be part of this process, and as such the Board has not established a separate risk management committee and the whole Board acts in that role.

The Board has a number of mechanisms in place to ensure that the management's objectives and activities are aligned with the risks identified by the Board.

Significant Events since Reporting Date

On 4 September 2023, Comet announced that it had received a letter from the ASX detailing the conditions to be met for reinstatement of the Company's shares to trading. In addition to preparation and lodgement of certain disclosures required in the Reinstatement Conditions, the Company must commence exploration work at the Barraba Copper Project as per plans submitted to the ASX and raise funds to meet the financial conditions required for reinstatement.
Regarding the commencement of exploration at the Barraba Copper Project, the Company has already completed several recent site visits by both the Company's NSW based geologist and drilling contractor to assess site conditions and confirm the ability for the drill rig to access the locations of the planned drill holes for the upcoming exploration program. Once the final drilling permit for the program is received, which is anticipated to be approved during September, we will be able to confirm a date for commencement of the drilling program.

On 7 July 2023, Comet entered into an agreement with an unrelated party to issue a convertible loan of $60,000, of which the whole amount has been received.

On 7 July 2023, Comet entered into an agreement with the vendors of the Northern Territory Assets to issue a convertible loan of $225,000 as settlement for the entire balance owing on the acquisition of the projects.

On 7 July 2023, Comet entered into an agreement with International Graphite Ltd to issue a convertible loan of $250,000, of which the whole amount has been received.

On 12 July 2023, Comet entered into an agreement with an unrelated party to issue a convertible loan of $100,000, of which the whole amount has been received.

On 27 July 2023, Comet entered into three separate agreements with three unrelated parties to issue convertible loans totalling $195,000, of which $155,000 has been received with a drawdown request sent for the remaining $40,000 and funds expected to arrive early October.

In total $830,000 of convertible loans have been issued as of the date of this report.

Key terms of the above convertible loans are as follows:

- Interest rate of 8% per annum
- Choice with the lender to settle either in shares or cash
- Conversion price of $0.09 per share
- If the company's securities are reinstated to trading on ASX prior to maturity date, any amount of loan not otherwise converted in shares previously will automatically convert into shares at the conversion price on the reinstatement date
- 12 month maturity
- Security provided on the Comet assets excluding Comet's shareholding in International Graphite Limited.

There have not been any other significant changes in the state of affairs that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company.

Likely Developments

The consolidated entity will focus on the exploration of its portfolio of mining tenements and the acquisition of new projects and/or assets.

Further information about likely developments in the operations of the consolidated entity and the expected results of those operations on future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental Regulation and Performance

The consolidated entity's operations were subject to environmental regulations under both Commonwealth and State legislation in relation to its exploration activities.

The directors are not aware of any breaches during the period covered by this report.

Indemnification of Officers

The Company has agreed to indemnify and keep indemnified the following officers, Mr A Molyneux, Mr M O'Kane, Mr HP Halliday and Mr S Cheema against all liabilities incurred by the directors and officers as a director or officer of the Company (and subsidiaries) and all legal expenses incurred by the directors as a director of the Company (and subsidiaries).

The indemnity only applies to the extent and in the amount that the directors and officers are not indemnified under any other indemnity, including an indemnity contained in any insurance policy taken out by the Company (or subsidiaries), under the general law or otherwise.

The indemnity does not extend to any liability:

- to the Company or a related body corporate of the Company; or
- arising out of conduct of the directors involving a lack of good faith; or
- which was incurred prior to 15 April 1994 and which is in respect of any negligence, default, breach of duty or breach of trust of which the directors may be guilty in relation to the Company or related body corporate.

Insurance of Officers

Since the end of the previous financial year the Company has paid insurance premiums for directors and officer's liability and corporate reimbursement, for directors and officers of the Company. The insurance premiums relate to:

- any loss for which the directors and officers may not be legally indemnified by the Company arising out of any claim, by reason of any wrongful act committed by them in their capacity as a director or officer, first made against them jointly or severally during the period of insurance; and
- indemnifying the Company against any payment which it has made and was legally permitted to make arising out of any claim, by reason of any wrongful act, committed by any director or officer in their capacity as a director or officer, first made against the director or officer during the period of insurance.

The insurance policy outlined above does not allocate the premium paid in respect of each individual officer of the Company.

Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for directors and key management personnel of Comet Resources Ltd.

Remuneration Philosophy

The performance of the Group depends upon the quality of its directors and key management personnel. To prosper the Company must attract, motivate and retain appropriately skilled directors and executives.

The Company's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

The Company bases its remuneration of employees and consultants on industry standards and the Australasian Institute of Mining and Metallurgy Remuneration and Membership Survey. Whilst in the exploration and acquisition phase, the Company targets the lowest quartile of remuneration levels.

Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-Executive director and Executive remuneration is separate and distinct.

Details of the nature and amount of each element of the emoluments of each director of the Company and the Group are disclosed below:

Remuneration Committee

Due to the size and composition of the current board, remuneration related matters are collectively discussed and resolved in accordance with Company requirements.

Employment Agreements

Comet has entered into the following agreements with Directors:

- Agreement with Matthew O'Kane for the services as Managing Director (MD), with fees of $275,000 per year plus statutory superannuation and a three-month termination period.
- Agreement with Alex Molyneux for the services as Non-Executive Director, with fees of $55,000 per year.
- Agreement with Hamish Halliday for the services as Non-Executive Director, with fees of $15,000 per year and remaining $60,000 as Corporate Consulting fees.
- Agreement with Sonu Cheema for the services as Non-Executive Director, with fees of $24,000 per year.
- Prior to resignation, the agreement with David Prentice for the services as Non-Executive officer was for fees of $40,000 per year.

Directors', Key Management Personnel Fees and Benefits

Directors' fees are determined within an aggregate fee pool limit, which is periodically recommended for approval by Shareholders. This amount is separate from any specific tasks the Directors may take on for the Company. Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts of the Company) because of a contract made by the Company or a related body corporate with the Director or with a firm of which the Director has a substantial financial interest, other than:

a) a total of $75,000 was paid to Mr Halliday as Non-Executive Director of the Company during the year ended 30 June 2023
b) a total of $55,432 was paid to Mr Molyneux as Non-Executive Director of the Company during the year ended 30 June 2023.
c) a total of $303,875 was paid to Mr O'Kane as a Managing Director of the Company during the year ended 30 June 2023.
d) a total of $14,000 was paid to Mr Cheema as a Non-Executive Director of the Company during the year ended 30 June 2023

The remuneration amount mentioned above as disclosed in the table below.

Directors' & Key Management Personnel remuneration for the Year ended 30 June 2023 and 2022

		Short-term			Post-employment		Share-based			
Name		**Cash salary and fees**	**Cash bonus**	**Non-monetary benefits**	**Super-annuati-on**	**Retire-ment benefits**	**Incentive shares or options**	**Total**	**Perform-ance based**	**Remun-eration consisting of incentive shares or options**
		$	**$**	**$**	**$**	**$**	**$**	**$**	**%**	**%**
M O'Kane	2023	275,000	-	-	28,875	-	-	303,875	-	0%
Managing Director	2022	275,000	-	-	27,500	-	-	302,500	-	0%
HP Halliday	2023	75,000	-	-	-	-	-	75,000	-	0%
Non-executive	2022	75,000[1]	-	-	-	-	-	75,000	-	0%
A Molyneux	2023	55,432	-	-	-	-	-	55,432	-	0%
Non-executive	2022	55,000	-	-	-	-	-	55,000	-	0%
D Prentice[2]	2023	-	-	-	-	-	-	-	-	0%
Non-executive	2022	18,407	-	-	-	-	-	18,407	-	0%
S Cheema[3]	2023	14,000	-	-	-	-	-	14,000	-	0%
Non-executive	2022	-	-	-	-	-	-	-	-	0%
Total 2023		**419,432**	**-**	**-**	**28,875**	**-**	**-**	**448,307**	**-**	
Total 2022		**423,407**	**-**	**-**	**27,500**	**-**	**-**	**450,907**	**-**	

The Company undertakes to apply for official quotation by ASX of all ordinary Shares allotted pursuant to the convert of any Incentive Options.

[1]During the year, Mr Halliday received a total of $60,000 as Corporate Consultant fees.

[2] Retired 17 December 2021.

[3] Cicero Group, a related entity of S Cheema is also due $104,000 for Mr Cheema's services as a company secretary and for accounting services, which is not included in the table above.

Directors' interests

The numbers of ordinary shares in the Company held during the financial year by each director and key management personnel of Comet, including their personally-related entities, are set out below. Shares held by directors and key management personnel are as follows:

Name	Balance at the start of the year	Balance at the start of the year adjusted for consolidation ^	Disposed of during the year	Balance at the end of the year
M O'Kane	-	-	-	-
H Halliday	9,400,000	940,000	-	940,000
A Molyneux	-	-	-	-
S Cheema	-	-	-	-

Incentive Options held by directors and key management personnel at reporting date are as follows:

Name	Balance at the start of the year	Balance at the start of the year adjusted for consolidation ^	Lapsed during the year	Balance at the end of the year
M O'Kane	12,000,000	1,200,000	(1,200,000)	-
H Halliday	3,000,000	300,000	(300,000)	-
A Molyneux	3,000,000	300,000	(300,000)	-
S Cheema	-	-	-	-

^ During the year (on 17 October 2022) a 10:1 security consolidation took place.

End of Remuneration Report.

Directors' meetings

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

Director	**Board Meetings**	
	A	**B**
M O'Kane	2	2
H Halliday	2	2
S Cheema	2	2
A Molyneux	2	2

A = Number of meetings eligible to attend
B = Number of meetings attended during the time the Director held office during the year.

Committee Memberships

As at the date of this report the Company does not have a Remuneration, Nomination or Audit Committee. This role is assumed by the full Board.

Significant changes in State of Affairs

During the financial year there were no significant changes in the state of affairs of the Group.

Auditor's Independence and Non-Audit Services

The Company's auditor, Stantons provided non-audit services during the year. Refer note 17.

A copy of the Auditor's independence declaration as required by Section 307c of the Corporations Act 2001 is set out on page 48.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Comet Resources Limited support and have substantially adhered to the best practice recommendations set by the ASX Corporate Governance Council. The Company's corporate governance statement is contained on its web page at www.cometres.com.au.

Signed in accordance with a resolution of directors.

H Halliday
Chairman

Dated at Perth this 29th September 2023

COMET RESOURCES LTD
and its Controlled Entities
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2023

	Note	CONSOLIDATED 2023 $	2022 $
Administration expenses		(882,634)	(822,882)
Finance expenses		-	-
Exploration expenses		(403,222)	(640,506)
Share based payments	21(a)	-	35,046
Share of loss of joint venture	22	-	(396,650)
Share of loss of associate	23	(613,527)	(207,867)
Impairment	22	-	(1,554,938)
Derecognition of foreign exchange reserve		(280,116)	-
Operating result		**(2,179,499)**	**(3,587,797)**
Loss before interest and taxes and depreciation		**(2,179,499)**	**(3,587,797)**
Loss before interest and taxes		**(2,179,499)**	**(3,587,797)**
Net other income	3(a)	139,162	4,000,469
Profit/(Loss) before taxes		**(2,040,337)**	**412,672**
Income tax expense	5	-	-
Net profit/(loss) for the year after income tax	13	**(2,040,337)**	**412,672**
Other comprehensive income			
Items that may be reclassified to profit or loss		**-**	**-**
Items that will not be reclassified subsequently to profit or loss		**-**	**-**
Total comprehensive profit/(loss) for the year		**(2,040,337)**	**412,672**
Net profit/(loss) attributable to the members of the parent entity		**(2,040,337)**	**412,672**
Total comprehensive profit/(loss) attributable to the members of the parent entity		**(2,040,337)**	**412,672**
Basic loss per share – in cents	14	(2.95)	0.06
Diluted loss per share- – in cents	14	(2.95)	0.06

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the consolidated financial statements set out on pages 16 to 41.

COMET RESOURCES LTD
and its Controlled Entities
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2023

	NOTE	*CONSOLIDATED* 2023 $	2022 $
ASSETS			
Current assets			
Cash and cash equivalents	6	22,332	658,026
Trade and other receivables	7	29,547	329
Prepayments		-	-
Total current assets		51,879	658,355
Non-current assets			
Other financial assets	8	12,000	2,000
Investment in Joint Venture	22	-	-
Investment in Associate	23	3,178,606	3,792,133
Capitalised Exploration and Evaluation Expenditure	4	1,132,728	1,107,728
Total non-current assets		4,323,334	4,901,861
TOTAL ASSETS		4,375,213	5,560,216
LIABILITIES			
Current liabilities			
Trade and other payables	9	1,286,857	824,844
Borrowings from Related Party	10	100,000	-
Provisions for Employee Benefits		63,459	50,254
Total current liabilities		1,450,316	875,098
TOTAL LIABILITIES		1,450,316	875,098
NET ASSETS		**2,924,897**	**4,685,118**
EQUITY			
Issued capital	11	18,254,430	18,271,677
Shares to be issued		-	-
Reserves	12	1,862,426	1,565,063
Accumulated losses	13	(17,191,959)	(15,151,622)
TOTAL EQUITY		**2,924,897**	**4,685,118**

The consolidated statement of financial position should be read in conjunction with the notes to the consolidated financial statements set out on pages 16 to 41.

COMET RESOURCES LTD
and its Controlled Entities
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 June 2023

	NOTE	CONSOLIDATED 2023 $	CONSOLIDATED 2022 $
Cash flows from operating activities			
Payments to suppliers and employees		(874,856)	(930,890)
Grants and Rebates received		122,309	-
Interest received		16,853	469
Net cash flows (used in) operating activities	15(b)	(735,694)	(930,421)
Net Cash flows from investing activities			
Investment in Joint Venture		-	(762,636)
Exploration and Evaluation Expenditure			-
Net cash flows (used in) investing activities		-	(762,636)
Cash flows from financing activities			
Issue of shares and options net of issue costs		-	-
Proceeds from loan borrowings from Related Party		100,000	-
Shares to be issued		-	-
Net cash flows from financing activities		100,000	-
Net (decrease) in cash and cash equivalents		(635,694)	(1,693,057)
Cash and cash equivalents at the beginning of the year		658,026	2,351,083
Cash and cash equivalents at the end of the year	15(a)	**22,332**	**658,026**

The consolidated statement of cash flows should be read in conjunction with the notes to the consolidated financial statements set out on pages 16 to 41.

COMET RESOURCES LTD
and its Controlled Entities
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2023

	Issued Capital $	Shares to be issued $	Accumulated losses $	Other Reserves $	Total $
CONSOLIDATED					
As at 30 June 2021	**18,305,888**	**-**	**(15,564,294)**	**1,839,135**	**4,580,729**
Net profit for the year	-	-	412,672	-	412,672
Total comprehensive profit for the year	-	-	412,672	-	412,672
Options issued	-	-	-	(835)	(835)
Foreign currency translation reserve	-	-	-	(273,237)	(273,237)
Shares issued (net of costs)	(34,211)	-	-	-	(34,211)
Shares to be issued	-	-	-	-	-
As at 30 June 2022	**18,271,677**	**-**	**(15,151,622)**	**1,565,063**	**4,685,118**
Net loss for the year	-	-	(2,040,337)	-	(2,040,337)
Total comprehensive loss for the year	-	-	(2,040,337)	-	(2,040,337)
Options issued	-	-	-	-	-
Foreign currency translation reserve	-	-	-	280,116	280,116
Shares issued (net of costs)	(17,247)	-	-	17,247	-
Shares to be issued	-	-	-	-	-
As at 30 June 2023	**18,254,430**	**-**	**(17,191,959)**	**1,862,426**	**2,924,897**

The consolidated statement of changes in equity are to be read in conjunction with the notes to the consolidated financial statements set out on pages 16 to 41.

1. CORPORATE INFORMATION

The financial report of Comet Resources Limited ("Comet") for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the Directors on 29th September 2023.

Comet Resources Limited is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of Comet and its subsidiaries ("the Group") are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies, which have been adopted in the preparation of this financial report, are:

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards, Australian Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial statements of Comet Resources Limited comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

It has been prepared on the basis of accrual accounting and historical costs, modified where applicable, by the measurement at fair value of selected financial assets.

The financial report is presented in Australian dollars.

(b) Going Concern Basis

The consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the year ended 30 June 2023, the Group recorded a loss after tax of $2,040,337 (2022: Profit $412,672), and a net cash outflow from operations of $735,694 (2022: $930,421). At 30 June 2023, the Group had a negative working capital of $1,398,437 (2022: working capital of $216,743) and non-current liabilities of nil (2022: nil). As at 30 June 2023, the Group had a cash balance of $22,332.

The Group's ability to continue operations is dependent upon directors raising additional funding either through the issue of equity or debt, sale of investments and active management of the current level of discretionary expenditure in line with the funds available to the Group.

Subsequent to the year ended 30 June 2023, the Group has entered into convertible note agreements with a number of parties with a total facility limit of $830,000. Refer Note 27 for further details.

In addition, reinstatement to trading of the Company's shares on the ASX requires the company to:

(a) Raise a minimum of $1,000,000 in convertible loans (see ASX announcement of 26 July 2023 for details of the convertible loans): and

(b) Raise a minimum of $2,305,308 (by way of a 1 for 3 entitlement issue priced at 10c a share), a) and b) together the 'Capital Raise'

The directors have reviewed the business outlook and cash flow forecasts and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will continue to be successful in securing additional funds through the debt and/or equity issues as and when the need to raise working capital arises.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Should the Group be unable to continue as a going concern, it may be required to monetise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the consolidated financial statements.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern

New and Amended Accounting Policies Adopted by the Group/Company

The Group has considered the implications of new and amended Accounting Standards which have become applicable for the current financial reporting period. The Group had to change its accounting policies as a result of adopting the following Standard:

- **AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments**

  The Group has applied AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 which makes some small amendments to a number of standards including the following: AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141. The adoption of the amendment did not have a material impact on the financial statements.

- **AASB 2021-7a: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections**

  The Group has applied AASB 2020-7a which makes various editorial corrections to a number of standards effective for reporting periods beginning on or after 1 January 2022. The adoption of the amendment did not have a material impact on the financial statements.

(c) New and Amended Accounting Policies Not Yet Adopted by the Group/Company

- ***AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current***

  The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current. The Group plans on adopting the amendment for the reporting period ending 30 June 2024 along with the adoption of AASB 2022-6. The amendment is not expected to have a material impact on the financial statements once adopted.

- ***AASB 2022-6: Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants***

  AASB 2022-6 amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least 12 months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. It also amends an example in Practice Statement 2 regarding assessing whether information about covenants is material for disclosure.

  The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The amendment is not expected to have a material impact on the financial statements once adopted.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- ***AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates***

  The amendment amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. These amendments arise from the issuance by the IASB of the following International Financial Reporting Standards: Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of Accounting Estimates (Amendments to IAS 8).

  The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

- ***AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

  The amendment amends the initial recognition exemption in AASB 112: *Income Taxes* such that it is not applicable to leases and decommissioning obligations – transactions for which companies recognise both an asset and liability and that give rise to equal taxable and deductible temporary differences. The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

- ***AASB 2021-7b & c: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections***

  AASB 2021-7b makes various editorial corrections to AASB 17 Insurance Contracts which applies to annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

  AASB 2021-7c defers the mandatory effective date (application date) of amendments to AASB 10 and AASB 128 that were originally made in AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2025 instead of 1 January 2018.

  The Group plans on adopting the amendments for the reporting periods ending 30 June 2024 and 30 June 2026. The impact of initial application is not yet known.

- ***AASB 2022-7: Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards***

  AASB 2022-7 makes editorial corrections to the following standards: AASB 7, AASB 116, AASB 124, AASB 128, AASB 134 and AASB as well as to AASB Practice Statement 2. It also formally repeals superseded and redundant Australian Account Standards as set out in Schedules 1 and 2 to the Standard.

  The Group plans on adopting the amendments for the reporting period ending 30 June 2024. The amendment is not expected to have a material impact on the financial statements once adopted.

(d) Principles of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:
- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(e) Revenue Recognition

Interest Income

Interest income is recognised using the effective interest method.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants reallocated to expense items are recognised as incurred over the period necessary to match the Grant to the costs it is compensating. Grants relating to expense items are recognised as income over the periods necessary to match the grants to the costs it is compensating.

Where the grant relates to an asset, the fair value is credited to a deferred income amount and is released to the statement of comprehensive income over the expected useful life of the relevant asset by equal annual instalments.

(f) Cash and Cash Equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short terms deposits with a maturity of six months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdraft.

(g) Intangible Assets

Acquired both separately and from a business combination

Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The useful lives of these intangible assets are assessed to be either finite or indefinite.

Where amortisation is charged on assets with finite lives, this expense is taken to the statement of comprehensive income through the 'research and development expenses' line item.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists and in the case of indefinite lives intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Research and development costs
Research costs are expensed as incurred.

Development expenditure incurred on an individual project in the future may be carried forward when its future recoverability can reasonably be regarded as assured.

Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Any expenditure carried forward is amortised over the period of expected future sales from the related project.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

(h) Impairment of Assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(i) Financial Instruments

Recognition, initial measurement and derecognition
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transaction costs, except for those carried at 'fair value through profit or loss', in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below. Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Classification and measurement
Financial assets
Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:
- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Classifications are determined by both:
- the contractual cash flow characteristics of the financial assets; and
- the Group's business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet with the following conditions (and are not designated as FVPL);
- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments. Financial assets at fair value through other comprehensive income (Equity instruments)
The Group measures debt instruments at fair value through OCI if both of the following conditions are met:
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading.

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(j) Other Taxes

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

(k) Foreign Currency Transactions

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at reporting date are translated at the rates of exchange ruling on that date.

Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the statement of profit or loss and other comprehensive income in the financial year in which the exchange rates change.

(l) Borrowing Costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges. Borrowing costs are expensed as incurred.

(m) Income Tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax to be recovered.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income.

(n) Trade and Other Receivables

The collectability of debts is assessed at reporting date and specific provision is made for any doubtful accounts. Trade debtors to be settled within 60 days are carried at amounts due.

(o) Plant and Equipment

Acquisition

Items of plant and equipment are initially stated at cost less accumulated depreciation and impairment losses.

Depreciation and Amortisation

Items of plant and equipment are depreciated/amortised using the straight-line method over their estimated useful lives.

The depreciation rates used for plant and equipment range between 13% and 50%.

Assets are depreciated or amortised from the date of acquisition.

(p) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 30 days.

(q) Employee Entitlements

Wages, Salaries and Annual Leave

The provisions for employee entitlements to wages, salaries and annual leave represent present obligations resulting from employees' services provided up to the reporting date, calculated at undiscounted amounts based on expected wage and salary rates including related on-costs.

Superannuation Plan

The Company contributes to defined contribution superannuation plans. Contributions are charged against income as they are made.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Share-based Payment Transactions

The Group provides benefits to employees or consultants (including directors) of the Group in the form of share-based payment transactions, whereby employees or consultants render services in exchange for shares or rights over shares ('equity-settled transactions').

The directors may provide these benefits at their discretion by a resolution or there is currently a plan in place to provide these benefits, the Employee Share Option Plan (ESOP), which provides benefits to directors, executives and employees.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model or Black-Scholes model. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 21.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve. Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. For cash-settled share-based payments, liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

(s) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new share or options are shown in equity as a deduction, net of tax, from the proceeds.

(t) Segment Reporting

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the statement of profit or loss and other comprehensive income and statement of financial position.

(u) Earnings Per Share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element. Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

a. costs of servicing equity (other than dividends) and preference share dividends;
b. the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have not been recognized as expenses; and
c. other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares,

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(v) Exploration and Evaluation Expenditure

Exploration and evaluation costs are written off in the year they are incurred. Costs of acquisition are capitalised to areas of interest and carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. When an area of interest is abandoned, or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated acquisition costs written off to the extent that they will not be recoverable in the future. Where projects have advanced to the stage that directors have made a decision to mine, they are classified as development properties. When further development expenditure is incurred in respect of a development property, such expenditure is carried forward as part of the cost of that development property only when substantial future economic benefits are established. Otherwise such expenditure is classified as part of the cost of production or written off where production has not commenced.

(w) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(x) Joint Venture

Joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. The joint venture is accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. Any goodwill or fair value adjustment attributable to the Group's share in the joint venture is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in joint venture is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group. Unrealised gains and losses on transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in those entities. Where unreleased losses are eliminated, the underlying asset is also tested for impairment.

(y) Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(z) Significant Accounting Estimates

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Exploration and evaluation acquisition costs

Costs of acquisition are capitalised to areas of interest and carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date which they are granted. The fair value is determined by the Company using a binomial model or Black-Scholes model.

Deferred taxation

Deferred income tax assets are recognised for carry forward unused tax losses to the extent that it is probable that taxable profits will be available against which the tax losses can be utilised. At 30 June 2023 no deferred tax asset has been recognised in relation to the unused tax losses as it is not considered probable that taxable profits will be available.

3. REVENUES AND EXPENSES

(a) Revenue

	CONSOLIDATED 2023 $	CONSOLIDATED 2022 $
Interest – other parties	16,853	469
R&D Tax Rebate	122,309	-
Sale of tenement project[1]	-	4,000,000
	139,162	4,000,469

[1]Refer to note 23

	CONSOLIDATED 2023 $	CONSOLIDATED 2022 $
(b) Directors/KMP benefits expense, included in statement of profit or loss and other comprehensive income		
Consulting & Directors' fees	419,432	423,407
Superannuation costs	28,875	27,500
Share-based payment expense	-	-
	448,307	450,907

4. CAPITALISED EXPLORATION AND EVALUATION

Carrying value

	CONSOLIDATED 2023 $	CONSOLIDATED 2022 $
Capitalised Exploration and evaluation costs	1,132,728	1,107,728

Reconciliation

	CONSOLIDATED 2023 $	CONSOLIDATED 2022 $
Opening balance	1,107,728	1,107,728
Acquisitions - Barraba Copper Project	-	-
Acquisitions – NT Project*	25,000	-
Acquisition – other smelter royalty	-	-
Closing balance	1,132,728	1,107,728

* Amount accrued for in the current year relates to an additional amount agreed with the parties to settle the outstanding accrued consideration as at 30 June 2023.

5. TAXATION

	CONSOLIDATED 2023 $	CONSOLIDATED 2022 $
Statement of Comprehensive Income		
A reconciliation of income tax expense applicable to accounting loss before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate for the year ended 30 June 2023 is as follows:		
Accounting (loss)/profit before income tax	(2,040,337)	412,672
	(2,040,337)	412,672
Prima facie tax expense/(benefit) on loss from ordinary activities at 25% (2022: 25%)	(510,084)	103,168
Tax effect of amounts which are not deductible in calculating taxable income		
Non-deductible expenses	72,290	991,239
Non assessable income	(30,577)	-
Adjustments recognised in the current year in relation to the current tax of previous years	(1,000,021)	70,275
Share base payments	-	-
Effect of temporary differences that would be recognised directly in equity	(5,118)	(7,545)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	-	-
Temporary differences not recognised	1,473,510	(1,157,137)
Income tax expense	-	-

Unrecognised temporary differences
Deferred Tax Assets at 25% (2022: 25%)

	CONSOLIDATED 2023 $	2022 $
Trade and other receivables	53,719	12,562
Financial assets	205,490	567,489
Provision for expenses & accruals	127,141	67,461
Carry forward revenue tax losses	3,951,056	3,622,157
Carry forward capital tax losses	850,760	367,911
	5,188,166	4,637,580
Deferred Tax Liabilities at 25% (2022: 25%)		
Intangibles	(35,129)	(958,054)
	(35,129)	(958,054)

The Group has revenue losses arising in Australia of $15,804,224 (2022: $14,488,626) and capital losses of $3,403,038 (2022: $1,133,083) that are available indefinitely for offset against future profits of the companies in which the loss arose.

6. CASH AND CASH EQUIVALENTS

	CONSOLIDATED 2023 $	2022 $
Cash	17,332	638,026
Short term deposits, maturing within 90 days and paying interest at a weighted average interest rate of 4% (2022: 0.45%)	5,000	20,000
	22,332	658,026

7. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED 2023 $	2022 $
Current		
Government Grant Receivable	-	-
Other Receivables	29,547	329
	29,547	329

As of 30 June 2023, trade and other receivables do not contain impaired assets and are not past due. It is expected that these amounts will be received when due. The Group does not have any collateral in relation to these receivables.

Details regarding the effective interest rate and credit risk of current receivables are disclosed in Note 19.

8. OTHER FINANCIAL ASSETS

	CONSOLIDATED 2023 $	2022 $
Non-current		
Security bonds	12,000	2,000

9. TRADE AND OTHER PAYABLES

	CONSOLIDATED 2023 $	2022 $
Current		
Trade creditors	605,509	168,704
Other payable	-	386,297
Accruals	681,348	269,843
	1,286,857	824,844

At the reporting date $494,282 included within trade creditors were past due. The normal credit terms from suppliers is 30 days.

10. BORROWINGS FROM RELATED PARTY

	CONSOLIDATED 2023 $	2022 $
Borrowings from related party	100,000	-

As of June 30, 2023, the Company had outstanding borrowings from a related party in the amount of $100,000. The terms of the borrowing arrangement include an annual interest rate of 10%, with a maturity date 6 months from execution. The related party is Matthew O'Kane, the managing director of Comet Resources Limited. The borrowings from the related party are unsecured and do not include any guarantees or collateral.

The Company believes that the terms of the borrowing arrangement with the related party are consistent or better than arm's length transactions that could be obtained with unrelated third parties. The Company will make interest and principal payments in accordance with the terms of the agreement.

The Company will continue to monitor and evaluate the terms of the borrowing arrangement with the related party and will make adjustments as necessary to ensure that they remain fair and reasonable.

11. ISSUED CAPITAL

	2023 No.	2022 No.	2023 $	2022 $
Issued and paid-up capital	69,159,009	691,590,807	18,254,430	18,271,677
Movements in ordinary share capital				
Balance at the beginning of the financial year	691,590,087	691,590,087	18,271,677	18,305,888
Capital raising costs	-	-	(17,247)	(34,211)
Consolidation of shares Oct 22 ^	(622,431,078)	-	-	-
Balance at the end of the financial year	69,159,009	691,590,087	18,254,430	18,271,677

^ During the year (on 17 October 2022) a 10:1 share consolidation took place

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at a shareholders meeting. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

11. ISSUED CAPITAL (cont'd)

Options
As at 30 June 2023, the Company had the following Options on issue.

Options Numbers	Option Terms	Vesting conditions
100,000	Unlisted Options exercisable at $0.03 on or before 1/12/2023	Not applicable
150,000	Unlisted Options exercisable at $0.025 on or before 08/10/2025	Completion of first drilling campaign of at least 3,000 metres
150,000	Unlisted Options exercisable at $0.035 on or before 08/10/2025	Upon decision to mine being made

The Options are transferable subject to any restriction or escrow agreements imposed by ASX or under applicable Australian securities laws. Shares allotted pursuant to the convert of the Options will rank equally with the then issued ordinary Shares of the Company.

Movement in Options during the year
The following reconciles the options outstanding at the beginning and end of the year:

	2023		2022	
	Number of options No.	Weighted average exercise price $	Number of options No.	Weighted average exercise price $
Balance at beginning of the year	89,247,184	0.032	89,247,184	0.032
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Consolidation of options Oct 22	(80,322,463)	-		
Expired during the year	(8,524,721)	-	-	-
Balance at end of year	**400,000**	**0.320**	**89,247,184**	**0.032**
Exercisable at end of year	**400,000**	**0.320**	**67,869,565**	**0.032**

The Company undertakes to apply for official quotation by ASX of all ordinary Shares allotted pursuant to the exercise of any Options.

Incentive Shares
There are no Incentive shares on issue.

12. RESERVES

	CONSOLIDATED 2023 $	2022 $
Option premium reserve	346,164	297,472
Foreign currency translation reserve - JV	-	(280,116)
Share-based payments reserve	1,516,262	1,547,707
	1,862,426	1,565,063

12. Reserves (cont'd)

	CONSOLIDATED 2023 $	2022 $
Movement in reserves		
Balance at beginning of year	1,565,063	1,839,135
Reversal of Share based payment (Note 21(a))	-	(35,046)
Share based payments during the year (Note 21(a))	17,247	34,211
Foreign currency translation reserve – JV	280,116	(273,237)
Balance at end of year	1,862,426	1,565,063

Nature and Purpose of Reserves

Option Premium Reserve
The Option premium reserve reflects the amounts received on issue of options other than remuneration options.

Share-Based Payments Reserve
The reserve reflects the value of equity benefits provided to executives/consultants as part of their remuneration.

Foreign Currency Translation Reserve
The reserve reflects the movement in foreign currency related to the JV.

13. ACCUMULATED LOSSES

	CONSOLIDATED 2023 $	2022 $
Accumulated losses at beginning of year	(15,151,622)	(15,564,294)
Net profit/(loss) attributable to members of the parent entity	(2,040,337)	412,672
Accumulated losses at the end of the year	(17,191,959)	(15,151,622)

14. EARNINGS PER SHARE

	CONSOLIDATED 2023 $	2022 $
(a) Basic earnings (loss) per share (cents per share)	(2.95)	0.0596
Dilutive earnings (loss) per share (cents per share)	(2.95)	0.0596
(b) Reconciliation of earnings used in calculating earnings per share		
Profit/(Loss) attributable to ordinary entity	(2,040,337)	412,672
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	69,159,009	691,590,087
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	69,159,009	692,640,087

15. STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short-term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	CONSOLIDATED	
	2023	**2022**
	$	**$**
Cash	17,332	638,026
Short term deposits maturing within 90 days and paying interest at a weighted average interest rate of 4% (2022: 0.45%)	5,000	20,000
	22,332	658,026

(b) Reconciliation of operating loss after income tax to net cash used in operating activities

	2023	2022
Operating gain/(loss) after income tax	(2,040,337)	412,672
Add non-cash items:		
Gain on sale of tenement project	-	(4,000,000)
Impairment on investment in JV EARL	-	1,554,938
Share based payments	-	(35,046)
Share of loss of joint venture	-	396,650
Share of loss of associate	613,527	207,867
Derecognition of foreign exchange reserve	280,116	-
Changes in assets and liabilities:		
Increase in capitalized exploration and evaluation expenditure	(25,000)	-
Decrease/(Increase) in trade and other receivables	(29,218)	30,306
Increase/(Decrease) in trade and other payables	462,013	488,793
(Increase)/Decrease in financial assets	(10,000)	-
(Decrease)/Increase in current provisions	13,205	13,399
Net cash flow (used in) operating activities	(735,694)	(930,421)

16. DIRECTOR AND KEY MANAGEMENT PERSONNEL DISCLOSURES

Details of Key Management Personnel

The following persons were directors of Comet Resources Limited during the financial year:

Mr M O'Kane – Managing Director
Mr HP Halliday – Non-Executive Chairman
Mr A Molyneux – Non-Executive Director
Mr S Cheema – Non-Executive Director (appointed 24 November 2022)

Compensation by Category: Key Management Personnel, Directors and Executives

	CONSOLIDATED	
	2023	**2022**
	$	**$**
Short-term	419,432	423,407
Post-employment	28,875	27,500
Share based payments	-	-
	448,307	450,907

16. DIRECTOR AND KEY MANAGEMENT PERSONNEL DISCLOSURES (cont'd)

Other transactions with directors and key management personnel

The above accrued fees have been included in directors' and key management personnel remuneration disclosed in the remuneration report and the table above.

The terms and conditions of the transactions with directors and director-related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arms length basis.

No amounts were receivable from directors and their director-related entities at reporting date arising from these transactions.

Amounts payable to directors and their director-related entities at reporting date arising from these transactions were as follows:

	CONSOLIDATED	
	2023	**2022**
	$	**$**
Current payables		
Director's loan account (note 10)	100,000	-
Trade creditors (net of GST)	-	220

17. AUDITOR'S REMUNERATION

	CONSOLIDATED	
	2023	**2022**
	$	**$**
Audit services:		
Auditors of the Company – Stantons	49,466	52,801
Non-Audit services:		
Stantons – Preparation of independent limited assurance report, corporate finance service and general advice	22,000	-

18. COMMITMENTS

Exploration expenditure commitments

The obligations to perform minimum exploration work on leases are not provided for in the accounts and are payable as follows:		
Not longer than one year	445,618	511,326

The Group may vary the exploration expenditure over the period by reducing its tenement holdings and/or applying for exemptions. Future expenditure will be based on the prospectivity of the tenements and/or the cash resources of the Group.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and short-term deposits.

The main purpose of these financial instruments is to support the Group's operations.

The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations and in addition listed shares.

It is, and has been throughout the period under review, the Group's policy that trading in financial instruments may be undertaken.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's cash and short-term deposits.

There is a limited amount of credit risk relating to the cash and cash equivalents that the Group holds in deposits. The Group received interest on its cash and cash equivalents, based on daily balances and at balance date, was exposed to a variable interest rate of 0.02% per annum. The Group's operating accounts do not attract interest.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

The Group's cash reserves are only placed with major Australian banks. The Group is not materially exposed to changes in market interest rates.

The Group does not presently have customers and consequently does not have credit exposure to outstanding receivables. The Group may in the future be exposed to interest rate risk should it borrow funds for acquisition and development.

Sensitivity Analysis

The following tables summarise the sensitivity of the Group's financial assets to interest rate risk. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post tax loss and equity would have been affected as shown. The analysis has been performed on the same basis for 2023 and 2022.

Consolidated Entity 30 June 2023	**Carrying Amount $**	**Interest Rate Risk -1% Net Loss $**	**Equity $**	**Interest Rate Risk +1% Net Gain $**	**Equity $**
Financial assets					
Cash & cash equivalents	22,332	(223)	(223)	223	223
Financial liabilities					
Related party loan	(100,000)	1,000	1,000	(1,000)	(1,000)

Consolidated Entity 30 June 2022	**Carrying Amount $**	**Interest Rate Risk -1% Net Loss $**	**Equity $**	**Interest Rate Risk +1% Net Gain $**	**Equity $**
Financial assets					
Cash & cash equivalents	658,026	(6,580)	(6,580)	6,580	6,580

The remaining financial assets at the reporting date are non-interest bearing.

Foreign currency risk

The Group operates within Australia and Mexico at this time and is subject to limited foreign currency risk.

Credit risk

The Group trades only with recognised, creditworthy third parties.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

There are no significant concentrations of credit risk within the Group.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of short-term deposits, grant funding and equity raising if required.

20. FINANCIAL INSTRUMENTS

The Group held the following financial instruments:

CONSOLIDATED	Note	Floating Interest	Fixed interest maturing in: 1 year or less	Fixed interest maturing in: 1-5 years	Non Interest bearing	Total	Weighted average interest rate
		$	$	$	$	$	
2023							
Financial assets							
Cash and cash equivalents	6	22,332	-	-	-	22,332	4%
Trade and other receivables	7	-	-	-	-	-	0%
Bonds	8	-	-	-	12,000	12,000	0%
		22,332	-	-	12,000	34,332	
Financial liabilities							
Trade and other payables	9	-	-	-	1,286,857	1,286,857	
Related party loan	19 / 10	-	100,000	-	-	100,000	
		-	100,000	-	1,286,857	1,386,857	
Net financial assets		22,332	(100,000)	-	(1,274,857)	(1,352,525)	

CONSOLIDATED	Note	Floating Interest	Fixed interest maturing in: 1 year or less	Fixed interest maturing in: 1-5 years	Non Interest bearing	Total	Weighted average interest rate
		$	$	$	$	$	
2022							
Financial assets							
Cash and cash equivalents	6	658,026	-	-	-	658,026	0.30%
Trade and other receivables	7	-	-	-	-	-	0%
Bonds	8	-	-	-	2,000	2,000	0%
		658,026	-	-	2,000	660,026	
Financial liabilities							
Trade and other payables	9	-	-	-	824,844	824,844	0%
		-	-	-	824,844	824,844	
Net financial assets		658,026	-	-	(822,844)	(164,818)	

20. FINANCIAL INSTRUMENTS (cont)

Net fair values of financial assets and liabilities

The net fair values of financial assets and financial liabilities at reporting date approximates their carrying amount.

	CONSOLIDATED	
	2023	**2022**
	$	**$**
Net Fair Value		
Cash and cash equivalents	22,332	658,026
Trade and other receivables	-	-
Bonds	12,000	2,000
Related party loan	(100,000)	
Trade and other payables	(1,286,857)	(824,844)
	(1,352,525)	(164,818)

21. SHARE BASED PAYMENTS

(a) Recognised share-based payment transactions

Share based payment transactions recognised either as operational expenses in the statement of profit or loss and other comprehensive income or as capitalised project acquisition costs or capital raising costs in equity during the period were as follows:

	2023	**2022**
	$	**$**
Share based payments to suppliers and directors (note 21(b))	-	(35,046)
Share based payments expense (note 21(b))	-	(35,046)
Share based payments – capital raising costs (note 21(c))	17,247	34,211

(b) Share based payments to suppliers and directors

There were no unlisted options granted or issued to suppliers, directors or employees during the year ended 30 June 2023. As at 30 June 2022, the Board had reassessed the probability of achieving the vesting conditions in relation to the 3 million unlisted options granted to technical consultants in the year ended 30 June 2021. The Board assessed the probability to be less than 50%, therefore the corresponding share-based payment expense recognised in the year ended 30 June 2021, amounting to $35,046, was reversed in the year ended 30 June 2022.

(c) Share based payments – capital raising costs

During the year ended 30 June 2023, the Company did not grant or issue any unlisted options to lead manager or consultant for capital raising related services.

18,377,619 unlisted options were granted to the lead manager during the year ended 30 June 2021. The options would have vested once the Company's share price trades at 10 days VWAP equal to or above the strike price. The fair value of the options was determined at the grant date using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at the grant date, the expected price volatility of the underlying share and the risk-free interest rate for the term of the option.

The total fair value of these options was assessed as $68,424. $51,177 has been accounted for as share issue cost in prior years, with the remaining $17,247 accounted for as share issue costs in the current year.

	Options issued	Number of Options Issued	Grant Date	Expiry Date	Exercise Price	Total Fair Value ($)	Underlying Share Value	Expected Volatility	Risk Free rate
T1	Peloton Capital	6,125,873	12/02/21	12/02/23	0.03	43,322	0.025	80%	0.85%
T2	Peloton Capital	6,125,873	12/02/21	12/02/23	0.05	18,608	0.025	80%	0.85%
T3	Empire Capital	6,125,873	12/02/21	12/02/23	0.07	6,494	0.025	80%	0.85%
						68,424			

22: INVESTMENT IN JOINT VENTURE

The Company acquired 50% of the Santa Teresa Gold Project in August 2020 through a 50% investment in El Alamo Resources Limited (EARL). EARL was equity accounted for as Investment in Joint Venture by the Company as at 30 June 2022.

The final 50% interest in the project was to be acquired after the Company made a decision to mine, at which time the Company would also pay the Stage 2 consideration. The decision to mine under the SPA had to be made by by 24 August 2022. Based on the information available to the Board, including the results of the 2021 diamond drilling program at Santa Teresa, The Board determined that the Company was unable to make a decision to mine by the required date. As a result of this decision the Company, under the terms of the SPA, return it's 50% interest in the Santa Teresa Gold Project to EARL and elected to convert it into either a minority equity interest based on a formula provided for in the SPA, or a Net Smelter Royalty (NSR) of 1.5% over the tenements of the Santa Teresa Gold Project. The Board determined that it will opt for the NSR and is working with EARL to execute agreements to have that effect.

The investment in the Santa Teresa Project has been as a result been fully impaired as at 30 June 2023.

	2023 $	2022 $
Opening Balance – 1 July	-	1,669,609
Payments for JV acquisition – Cash Consideration	-	-
Consulting Payments for JV acquisition – Empire Capital Partners	-	-
Share based payments for JV acquisition (note 21(d))	-	-
Impairment	-	(1,554,938)
Cash calls	-	555,216
Share of (loss)/profit – JV	-	(396,650)
Share of post-acquisition movement in reserve	-	(273,237)
	-	-

23: INVESTMENT IN ASSOCIATE

The Company acquired 40,000,000 shares, representing approximately 24.22% of International Graphite Limited (IG6) in April 2022. IG6 was equity accounted for as Investment in Associate by the Company as at 30 June 2023.

	2023 $	2022 $
Opening Balance – 1 July	3,792,133	-
Sale of tenement projects	-	4,000,000
Share of (loss)/profit - associates	(613,527)	(207,867)
	3,178,606	3,792,133

(a) Reconciliation of Comet's share of losses in International Graphite Limited	2023 $	2022 $
Loss for the year (21(b)	2,533,229	2,055,940
Pre-acquisition losses	-	(1,197,667)
Post acquisition losses	2,533,229	858,273
Comet's share of loss at 24.22%	613,527	207,867

(b) Summarised Statement of Financial Position as per International Graphite Limited's audited Financial Statements	**2023 $**	**2022 $**
Current assets	2,892,383	9,359,226
Non-current assets	15,202,896	9,415,687
Total assets	18,095,279	18,774,913
Current liabilities	2,326,096	918,456
Non-current liabilities	52,613	62,934
Total liabilities	2,378,709	981,390
Net assets	15,716,570	17,793,523
Summarised Statement of Profit or Loss and Other Comprehensive Income as per International Graphite Limited's audited Financial Statements		
Revenue	54,099	8,789
Expenses	(2,587,328)	(2,064,729)
Loss for the year	(2,533,229)	(2,055,940)

24. PARENT ENTITY DISCLOSURES

(a) Financial Position

	2023 $	**2022 $**
ASSETS		
Current assets		
Cash and cash equivalents	22,332	658,026
Trade and other receivables	29,547	329
Prepayment	-	-
Total current assets	51,879	658,355
Non-current assets		
Other financial assets	12,000	2,000
Investment in Joint Venture	-	-
Investment in associate	3,178,606	3,792,133
Capitalised Exploration and Evaluation Expenditure	1,132,728	1,107,728
Total non-current assets	4,323,334	4,901,861
TOTAL ASSETS	4,375,213	5,560,216
LIABILITIES		
Current liabilities		
Trade and other payables	1,286,857	824,844
Borrowings from Related Party	100,000	-
Provisions	63,459	50,254
Total current liabilities	1,450,316	875,098
TOTAL LIABILITIES	1,450,316	875,098
NET ASSETS	**2,924,897**	**4,685,118**
EQUITY		
Issued capital	18,254,430	18,271,677
Shares to be issued	-	-
Reserves	1,862,426	1,565,063
Accumulated losses	(17,191,959)	(15,151,622)
TOTAL EQUITY	**2,924,897**	**4,685,118**

24. PARENT ENTITY DISCLOSURES (cont'd)

(b) Financial Performance

	2023 $	2022 $
Profit/(Loss) for the year	(2,040,337)	412,672
TOTAL COMPREHENSIVE LOSS	**(2,040,337)**	**412,672**

Commitments and Contingencies

The parent company has not provided any guarantees and does not have any other commitments or contingent assets or liabilities that are not disclosed elsewhere in the financial report except for those disclosed in Note 28 .

25. RELATED PARTY DISCLOSURES

The consolidated financial statements include the financial statements of Comet and the subsidiaries listed in the following table.

	2023 %	2022 %
Comet Resources Limited – controlled entities		
Ravensthorpe Management Pty Ltd*^	100	100
Environmental Oil Solutions Pty Ltd*^	100	100
Kalk Exploration Pty Ltd*	100	100
* incorporated in Australia		
^ dormant		

Comet Resources Limited is the ultimate parent entity.

	2023	2022
Investment in associate: International Graphite Limited	24.22	24.22
Investment in JV: El Alamo Resources Limited	-	50

Transactions with key management personnel are disclosed in Note 16.

26. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are provided to the Board (Chief Operating Decision Maker) for making strategic decisions. The Company operates predominately in two geographical segments, being Australia & Mexico. Both of which are in mineral exploration. These activities in Mexico only relate to the investment in joint venture. Mineral exploration in Australia relates to the exploration activities and work programs for exploration assets held in Australia.

	Australia $	Mexico $	Total $
2023			
Total other income	139,162	-	139,162
Total expenses	(2,179,499)	-	(2,179,499)
Total segment profit/(loss) before income tax	(2,040,337)	-	(2,040,337)
Total segment assets	4,375,213	-	4,375,213
Total segment liabilities	(1,450,316)	-	(1,450,316)
2022			
Total other income	4,000,469	-	4,000,469
Total expenses	(3,191,147)	(396,650)	(3,587,797)
Total segment loss before income tax	809,322	(396,650)	412,672
Total segment assets	5,560,216	-	5,560,216
Total segment liabilities	(875,098)	-	(875,098)

27. EVENTS SUBSEQUENT TO REPORTING DATE

On 4 September 2023, Comet announced that it had received a letter from the ASX detailing the conditions to be met for reinstatement of the Company's shares to trading. In addition to preparation and lodgement of certain disclosures required in the Reinstatement Conditions, the Company must commence exploration work at the Barraba Copper Project as per plans submitted to the ASX and raise funds to meet the financial conditions required for reinstatement. Regarding the commencement of exploration at the Barraba Copper Project, the Company has already completed several recent site visits by both the Company's NSW based geologist and drilling contractor to assess site conditions and confirm the ability for the drill rig to access the locations of the planned drill holes for the upcoming exploration

program. Once the final drilling permit for the program is received, which is anticipated to be approved during September, we will be able to confirm a date for commencement of the drilling program.

On 7 July 2023, Comet entered into an agreement with with an unrelated party to issue a convertible loan of $60,000, of which the whole amount has been received.

On 7 July 2023, Comet entered into an agreement with the vendors of the Northern Territory Assets to issue a convertible loan of $225,000 as settlement for the entire balance owing on the acquisition of the projects.

On 7 July 2023, Comet entered into an agreement with International Graphite Ltd to issue a convertible loan of $250,000, of which the whole amount has been received.

On 12 July 2023, Comet entered into an agreement with an unrelated party to issue a convertible loan of $100,000, of which the whole amount has been received.

On 27 July 2023, Comet entered into three separate agreements with three unrelated parties to issue convertible loans totalling $195,000, of which $155,000 has been received with a drawdown request sent for the remaining $40,000 and funds expected to arrive early October.

In total $830,000 of convertible loans have been issued as of the date of this report.

Key terms of the above convertible loans are as follows:

- Interest rate of 8% per annum
- Choice with the lender to settle either in shares or cash
- Conversion price of $0.09 per share
- If the company's securities are reinstated to trading on ASX prior to maturity date, any amount of loan not otherwise converted in shares previously will automatically convert into shares at the conversion price on the reinstatement date
- 12 month maturity
- Security provided on the Comet assets excluding Comet's shareholding in International Graphite Limited.

There have not been any other significant changes in the state of affairs that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company.

28. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In prior years, Comet acquired a portfolio of highly prospective copper-gold exploration assets in the Northern Territory of Australia through a Binding Option Agreement with Bath resources Limited. The Final Consideration is contingent, which requires the Company to issue CRL shares to Bath Resources to the value of $200,000 on the delineation of the maiden JORC resource of no less than 5 million tonnes at a Cu-equivalent of 1% or greater (as verified by an independent qualified competent person under the JORC code) and based on an amount per share equal to the greater of $0.025 or the 20-VWAP of CRL shares as traded on the ASX at the time the resource is announced to the ASX.

The Group does not have any additional contingent liabilities or assets at balance date or date of this report.

DIRECTORS' DECLARATION
for the year ended 30 June 2023

The Directors of Comet Resources Limited declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;

(b) the attached consolidated financial statements are in compliance with International Financial Reporting Standards, as outlined in Note 2;

(c) in the Directors' opinion, the attached consolidated financial statements and notes thereto set out in pages 16 to 41 are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and

(d) the Directors have been given the declarations required by s.295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

H Halliday
Chairman

Dated at Perth this 29th day of September 2023

Stantons

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
COMET RESOURCES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Comet Resources Limited ("the Company"), and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without modifying our opinion expressed above, attention is drawn to the following matter:

As referred to in Note 2(b) to the financial statements, the financial statements have been prepared on a going concern basis. At 30 June 2023 the Group had cash and cash equivalents totalling $22,332, cash outflow from operations $735,694, working capital deficit of $1,398,437 and has incurred a loss before tax from continuing operations for the period of $2,040,337. These amounts indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. The consolidated entity's ability to continue operations is dependent upon directors raising additional funding either through the issue of equity or debt or through the sale of assets, curtailing discretionary expenditure and developing the group's mineral assets. Our opinion is not modified in respect of this matter.

Key Audit Matters

We have determined the matters described below to be Key Audit Matters to be communicated in our report.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
Carrying Value of Exploration and Evaluation Assets As referred to in Note 4 of the financial report, the Group's accounting policy is to capitalise project acquisition costs whilst the exploration and evaluation costs are expensed in the year they are incurred. As at 30 June 2023, exploration and evaluation Assets totalled $1,132,728. The carrying value of exploration and evaluation assets is a key audit matter due to: • The significance of the expenditure capitalised representing approximately 26% of total assets; • The necessity to assess management's application of the requirements of the accounting standard *Exploration for and Evaluation of Mineral Resources ("*AASB 6*")*, in light of any indicators of impairment that may be present; and • The assessment of management's judgements concerning the capitalised exploration and evaluation expenditure.	In assessing the carrying value of capitalised exploration and evaluation expenditure, our procedures included, amongst others: i. Assessing the Group's right to tenure over exploration assets by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third-party documentation; ii. Evaluation of Group documents for consistency with the intentions for continuing exploration and evaluation activities in areas of interest and corroborated in discussions with management. The documents we evaluated included: ▪ Minutes of the board and management; and ▪ Announcements made by the Group to the Australian Securities Exchange; and iii. Considered the requirements of accounting standard AASB 6 and reviewed the financial statements to ensure appropriate disclosures were made.

Key Audit Matters	How the matter was addressed in the audit
Associate accounted for under equity method – Investment in International Graphite Ltd. As at 30 June 2023, the Company hold 40 million shares representing approximately a 24.22% interest in International Graphite Limited ("IG6"). Management had determined that the Company has significant influence over IG6 in accordance with *AASB 128 - Investments in Associates and Joint Ventures ("AASB 128").* The Company had recognised the investment in the associate at cost in the previous year and then applied the equity method. We considered the investment in the associate to be a key audit matter due to: • The significance of the balance, representing 72.7% of total assets; and • The judgment involved in determining whether significant influence over the investee exists.	Inter alia, in assessing the investment in the associate accounted for using the equity method, our audit procedures included: i. Assessing the determination made by management on whether significant influence exists; ii. Obtaining the holding statement confirming the number of IG6 shares held at the balance date; iii. Ensuring that management correctly applied the Equity method as per AASB 128. We reviewed management's workings to ensure the initial recognition of the investment at cost and the subsequent recognition of the share of the loss in the period has been correctly recorded; and iv. Assessing the adequacy of the financial report disclosure contained in note 23 of the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance opinion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Stantons

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Stantons

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 10 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Comet Resources Limited for the year ended 30 June 2023 complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik
Director

West Perth, Western Australia
29 September 2023

Stantons

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29 September 2023

Board of Directors
Comet Resources Limited
Suite 9, 330 Churchill Avenue
SUBIACO WA 6008

Dear Directors

RE: COMET RESOURCES LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Comet Resources Limited.

As Audit Director for the audit of the financial statements of Comet Resources Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Martin Michalik
Director

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report. The information is made as at 25th September 2023.

Top 20 Holders of Listed Securities

Position	Holder Name	Holding	% IC
1	CITICORP NOMINEES PTY LIMITED	4,475,732	6.47%
2	OIC NOMINEES LIMITED	2,380,000	3.44%
3	CHETAN ENTERPRISES PTY LTD	1,990,503	2.88%
4	ALBERTA RESOURCES PTY LTD <BRITISH COLUMBIA S/F A/C>	1,677,857	2.43%
5	MR LAYTON HENRY POTTER	1,500,000	2.17%
6	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,370,466	1.98%
7	MR ROBERT OSWALD JONES <THE ROJEX A/C>	1,200,000	1.74%
8	MRS JUDITH SUZANNE PIGGIN & MR DAMIEN JAYE PIGGIN & MR GLENN ADAM PIGGIN <PIGGIN FAMILY S/F A/C>	1,180,000	1.71%
9	MS LISA MARIE LONGLAND	1,159,800	1.68%
10	MR DAVID WILLIAM MOSS	1,069,376	1.55%
11	MS YU ZHANG	1,050,000	1.52%
12	TWYNAM INVESTMENTS PTY LTD	840,000	1.21%
13	HAMISH HALLIDAY	700,000	1.01%
13	MR STEPHEN KAM LO TONG & MRS PATSY LIN HAP TONG <BIALLA SUPER FUND A/C>	700,000	1.01%
14	BNP PARIBAS NOMS PTY LTD <DRP>	644,253	0.93%
15	MR DAVID O'HALLORAN	575,000	0.83%
15	SLIPSTREAM RESOURCES INTERNATIONAL PTY LTD <SLIPSTREAM CAPITAL A/C>	575,000	0.83%
16	MR ROBERT JAMES CROMPTON	512,649	0.74%
17	MR JASON KHOO	500,000	0.72%
17	MR KEITH CHEUK-TING TONG	500,000	0.72%
17	MR JOHN DUGARD & MRS ROSALIND DUGARD <THE RF DUGARD S/F A/C>	500,000	0.72%
18	CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	495,612	0.72%
19	MR ANDREW PAPAS	492,261	0.71%
20	MR JOHN MCDONALD & MR SHAUN MCDONALD <SOUTHLAND SNIPE SF A/C>	486,110	0.70%
	Total	**26,574,619**	**38.43%**
	Total issued capital - selected security class(es)	**69,159,244**	**100.00%**

Shareholdings

The issue capital of the Company as at 25 September is:

69,159,244 ordinary fully paid shares

All ordinary fully paid shares carry one vote per share.

Unquoted Securities

Grant Date	Date of Expiry	Exercise Price	Securities on Issue
14/12/20	08/10/25	$0.35	150,000
14/12/20	08/10/25	$0.25	150,000
14/12/20	01/12/23	$0.30	100,000
			400,000

Distribution of shareholders
Number of shareholders

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	266	150,912	0.22%
above 1,000 up to and including 5,000	614	1,770,129	2.56%
above 5,000 up to and including 10,000	299	2,448,861	3.54%
above 10,000 up to and including 100,000	597	20,377,619	29.46%
above 100,000	116	44,411,723	64.22%
Totals	**1,892**	**69,159,244**	**100.00%**

Holders of non-marketable parcels

There are 532 shareholders that hold less than a marketable parcel.

Substantial shareholders

There are no substantial shareholders:

Securities Exchange listing

The Company’s fully paid shares (CRL) are quoted by the Australian Securities Exchange Limited.

Restricted securities

The Company has no securities on issue that are classified as “Restricted Securities”.

On-market buy-back

Currently there is no on-market buy-back of the Company's securities.

CORPORATE GOVERNANCE STATEMENT

In accordance with ASX Listing Rule 4.10.3 the Company’s Corporate Governance Statement can be found on the Company’s website at: https://www.cometres.com.au/corporate-governance

Tenement Schedule

Project	Location	Tenement	Interest
Barraba	**NSW**	**EL8492**	**80%**
Northern Territory Assets	**NT**	**EL32279** **ELA32190** **ELA32241**	**100%** **100%** **100%**